

STATE BONDING FUND  
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 29, 2004

	February-04				January-04				December-03				September-03				Current FYTD	Prior Year FY03	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																				
<b>Structured Growth</b>																				
Los Angeles Capital	92,594	2.3%	2.3%	-0.13%	94,441	2.4%	2.3%	1.68%	92,862	2.4%	2.3%	9.12%	85,073	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	24	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.88%	-21.24%	-6.07%
<b>Total Structured Growth</b>	<b>92,617</b>	<b>2.3%</b>	<b>2.3%</b>	<b>-0.13%</b>	<b>94,441</b>	<b>2.4%</b>	<b>2.3%</b>	<b>1.68%</b>	<b>92,862</b>	<b>2.4%</b>	<b>2.3%</b>	<b>9.12%</b>	<b>85,073</b>	<b>2.3%</b>	<b>2.3%</b>	<b>4.99%</b>	<b>16.33%</b>	<b>-1.88%</b>	<b>-21.24%</b>	<b>-6.07%</b>
Russell 1000 Growth				0.64%				2.04%				10.41%				3.92%	17.83%	2.94%	-21.54%	-5.03%
<b>Structured Value</b>																				
LSV	89,669	2.2%	2.3%	3.25%	96,211	2.4%	2.3%	2.63%	93,798	2.4%	2.3%	15.66%	81,203	2.2%	2.3%	3.75%	27.16%	-2.25%	8.84%	3.73%
Russell 1000 Value				2.14%				1.76%				14.19%				2.06%	21.14%	-1.02%	-0.19%	1.05%
<b>S&amp;P 500 Index</b>																				
State Street	426,123	10.5%	10.5%	1.38%	427,975	10.7%	10.5%	1.84%	420,301	10.7%	10.5%	12.16%	374,694	10.0%	10.5%	2.64%	18.84%	0.23%	-11.28%	-1.69%
S&P 500				1.39%				1.84%				12.18%				2.64%	18.89%	0.25%	-11.20%	-1.62%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>608,409</b>	<b>15.0%</b>	<b>15.0%</b>	<b>1.44%</b>	<b>618,627</b>	<b>15.5%</b>	<b>15.0%</b>	<b>1.93%</b>	<b>606,962</b>	<b>15.4%</b>	<b>15.0%</b>	<b>12.20%</b>	<b>540,970</b>	<b>14.5%</b>	<b>15.0%</b>	<b>3.15%</b>	<b>19.67%</b>	<b>-0.48%</b>	<b>-9.33%</b>	<b>-1.90%</b>
S&P 500				1.39%				1.84%				12.18%				2.64%	18.89%	0.25%	-11.20%	-1.62%
<b>SMALL CAP DOMESTIC EQUITY</b>																				
<b>Manager-of-Managers</b>																				
SEI	211,376	5.2%	5.0%	0.50%	215,399	5.4%	5.0%	4.64%	205,804	5.2%	5.0%	14.82%	179,207	4.8%	5.0%	9.48%	32.21%	0.09%	N/A	N/A
Russell 2000 + 200bp			0.2%	1.06%				4.51%				15.07%				9.60%	33.21%	0.36%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>211,376</b>	<b>5.2%</b>	<b>5.0%</b>	<b>0.50%</b>	<b>215,399</b>	<b>5.4%</b>	<b>5.0%</b>	<b>4.64%</b>	<b>205,804</b>	<b>5.2%</b>	<b>5.0%</b>	<b>14.82%</b>	<b>179,207</b>	<b>4.8%</b>	<b>5.0%</b>	<b>9.48%</b>	<b>32.21%</b>	<b>0.09%</b>	<b>-3.49%</b>	<b>1.64%</b>
Russell 2000				0.90%				4.34%				14.52%				9.07%	31.51%	-1.63%	-3.30%	0.97%
<b>CONVERTIBLES</b>																				
TCW	416,878	10.3%	10.0%	0.70%	414,197	10.4%	10.0%	2.23%	404,853	10.3%	10.0%	9.98%	368,085	9.8%	10.0%	1.85%	15.31%	10.23%	-9.51%	3.90%
First Boston Convertible Index				0.11%				2.01%				8.54%				2.67%	13.80%	15.46%	-3.77%	5.29%
<b>INTERNATIONAL EQUITY</b>																				
<b>Large Cap - Active</b>																				
Capital Guardian	341,405	8.4%	8.0%	2.19%	333,056	8.3%	8.0%	1.50%	328,754	8.3%	8.0%	13.03%	293,175	7.8%	8.0%	8.14%	26.79%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				2.35%				1.37%				13.15%				6.58%	25.12%	-11.24%	-15.51%	-5.33%
<b>Small Cap - Value</b>																				
Lazard	44,937	1.1%	1.0%	3.50%	43,275	1.1%	1.0%	2.80%	42,104	1.1%	1.0%	14.50%	39,792	1.1%	1.0%	9.92%	33.91%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				2.90%				4.20%				13.31%				15.95%	40.87%	N/A	N/A	N/A
<b>Small Cap - Growth</b>																				
Vanguard	42,089	1.0%	1.0%	3.52%	47,117	1.2%	1.0%	4.21%	45,179	1.1%	1.0%	14.06%	38,606	1.0%	1.0%	14.95%	41.45%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				2.90%				4.20%				13.31%				15.95%	40.87%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>428,431</b>	<b>10.6%</b>	<b>10.0%</b>	<b>2.47%</b>	<b>423,448</b>	<b>10.6%</b>	<b>10.0%</b>	<b>1.93%</b>	<b>416,037</b>	<b>10.6%</b>	<b>10.0%</b>	<b>13.28%</b>	<b>371,574</b>	<b>9.9%</b>	<b>10.0%</b>	<b>8.97%</b>	<b>28.93%</b>	<b>-9.20%</b>	<b>-15.51%</b>	<b>0.27%</b>
MSCI EAFE - 50% Hedged				2.35%				1.37%				13.15%				6.58%	25.12%	-11.24%	-15.51%	-5.33%
<b>DOMESTIC FIXED INCOME</b>																				
<b>Core Bond</b>																				
Western Asset	1,014,720	25.1%	25.0%	1.18%	1,003,166	25.1%	25.0%	0.98%	993,545	25.2%	25.0%	1.62%	973,882	26.0%	25.0%	-0.16%	3.66%	12.77%	11.23%	8.12%
Lehman Aggregate				1.08%				0.80%				0.32%				-0.14%	2.07%	10.39%	10.07%	7.54%
<b>Index</b>																				
Bank of ND	543,313	13.4%	15.0%	1.14%	537,161	13.4%	15.0%	0.89%	532,410	13.5%	15.0%	0.07%	532,752	14.2%	15.0%	-0.46%	1.62%	13.26%	10.87%	7.78%
Lehman Gov/Credit				1.22%				0.91%				-0.03%				-0.50%	1.60%	13.14%	10.82%	7.83%
<b>BBB Average Quality</b>																				
Strong	420,371	10.4%	10.0%	1.17%	415,949	10.4%	10.0%	1.09%	411,262	10.4%	10.0%	1.46%	408,258	10.9%	10.0%	0.02%	3.79%	17.91%	N/A	N/A
Lehman US Credit BAA				1.27%				1.13%				1.22%				0.27%	3.95%	18.33%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1,978,404</b>	<b>48.9%</b>	<b>50.0%</b>	<b>1.17%</b>	<b>1,956,276</b>	<b>48.9%</b>	<b>50.0%</b>	<b>0.98%</b>	<b>1,937,217</b>	<b>49.2%</b>	<b>50.0%</b>	<b>1.15%</b>	<b>1,914,892</b>	<b>51.2%</b>	<b>50.0%</b>	<b>-0.21%</b>	<b>3.11%</b>	<b>13.18%</b>	<b>10.80%</b>	<b>7.81%</b>
Lehman Gov/Credit				1.22%				0.91%				-0.03%				-0.50%	1.60%	13.14%	10.82%	7.83%
<b>CASH EQUIVALENTS</b>																				
Bank of ND	400,002	9.9%	10.0%	0.09%	370,389	9.3%	10.0%	0.09%	370,039	9.4%	10.0%	0.29%	364,833	9.8%	10.0%	0.30%	0.77%	1.57%	3.26%	4.15%
90 Day T-Bill				0.07%				0.08%				0.26%				0.25%	0.66%	1.52%	3.33%	4.08%
<b>TOTAL BONDING FUND</b>	<b>4,043,501</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.16%</b>	<b>3,998,337</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.46%</b>	<b>3,940,911</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.40%</b>	<b>3,739,560</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.01%</b>	<b>10.35%</b>	<b>7.52%</b>	<b>1.61%</b>	<b>4.90%</b>
POLICY TARGET BENCHMARK				1.12%				1.29%				4.65%				1.59%	8.89%	7.25%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.